

Message Text

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ACTION COME-00

INFO OCT-01 ARA-14 EB-08 ISO-00 /023 W
-----023771 050536Z /10/62

R 021808Z MAY 78
FM AMEMBASSY MANAGUA
TO SECSTATE WASHDC 6460

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C O R R E C T E D C O P Y T E X T P A R A 4

S E C O N D C O R R E C T E D C O P Y T E X T P A R A 5

E.O. 11652: N/A
TAGS: BEXP, NU
SUBJECT: TRADE OPPORTUNITIES FOR LEATHER SHOES AND BOOTS

REF: STATE 078081

1. REFTEL REQUESTS INFORMATION ON TRADE OPPORTUNITIES FOR SHOES AND LEATHER BOOTS WORN BY MEMBERS OF FIRE DEPARTMENTS, POSTAL SERVICES, PRIVATE GUARD SERVICES AND ARMED FORCES. THERE ARE NEITHER CENTRAL PURCHASING AGENTS FOR FOOTWEAR FOR POSTAL SERVICE EMPLOYEES NOR FOR PRIVATE GUARD SERVICES. BOOTS FOR NICARAGUA'S APPROXIMATELY 800 FIREFIGHTERS ARE BOUGHT BY THE INSTITUTO NACIONAL DE PREVENCIÓN DE INCENDIOS (NATIONAL INSTITUTE FOR FIRE PREVENTION.) INSTITUTE OFFICIALS INFORMED EMBASSY THAT BOOTS ARE CURRENTLY PURCHASED LOCALLY AND THAT THIS SYSTEM OF PURCHASING IS VERY SATISFACTORY. THEREFORE, ONLY THE NATIONAL GUARD (WHICH ACTS AS BOTH AN ARMY AND A POLICE FORCE) WOULD PROVIDE ANY POTENTIAL MARKET FOR AMERICAN SHOE MANUFACTURERS AMONG THE ABOVE-MENTIONED SECTORS.

2. THERE ARE APPROXIMATELY 8,000 MEMBERS OF THE NATIONAL GUARD, INCLUDING SOME 500 OFFICERS. THESE FIGURES INCLUDE THE MILITARY ACADEMY AND A BASIC TRAINING SCHOOL FOR INFANTRY. THREE TYPES OF FOOT-
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WEAR ARE WORN BY MEMBERS OF THE NATIONAL GUARD. LOW QUARTERS (I.E., A BLACK PATENT LEATHER SHOE), BLACK LEATHER COMBAT BOOTS, AND CANVAS-AND-LEATHER JUNGLE BOOTS.

3. LOW QUARTERS FOR THE ENLISTED MEN AND ALL COMBAT BOOTS ARE PRODUCED FOR THE NATIONAL GUARD BY THE NICARAGUAN SHOE COMPANY, FABRICA NACIONAL DE CUERO Y ARTICULOS DERIVADOS (FANCADE). THIS COMPANY WAS

FORMERLY OWNED BY THE NATIONAL GUARD BUT IS NOW DIRECTLY UNDER CIVILIAN GOVERNMENTAL CONTROL. THE FIRM'S GENERAL MANAGER IS A NATIONAL GUARD OFFICER. FANDACE'S COMBAT BOOTS ARE SOLD TO THE SOLDIERS FOR US\$10.15 A PAIR AND A SOLDIER MAY HAVE THE COST OF THE BOOTS DEDUCTED DIRECTLY FROM HIS PAY. THE FIRM DOES NOT MANUFACTURE JUNGLE BOOTS AS QUALITY CANVAS IS APPARENTLY DIFFICULT TO OBTAIN. ITS GENERAL MANAGER INDICATED THAT IT IS CHEAPER TO IMPORT THEM THAN TO PRODUCE THEM AT THIS FACTORY.

4. THE ONLY LOCAL MARKETS FOR U.S. SHOE MANUFACTURERS APPEAR TO BE THE SUPPLY OF LOW QUARTERS FOR OFFICERS (A RATHER LIMITED MARKET) AND THE SUPPLY OF JUNGLE BOOTS. IN THE PAST, IMPORTATION OF THESE ARTICLES HAS BEEN ALMOST ENTIRELY FROM THE UNITED STATES OR THROUGH U.S. MILITARY SUPPLIERS IN THE PANAMA CANAL ZONE. APPROXIMATELY 10,000 PAIRS OF U.S.-MANUFACTURED JUNGLE BOOTS HAVE BEEN PURCHASED DURING THE PAST TWO YEARS. THE ONLY OTHER SUPPLIER WITHIN RECENT MEMORY WAS TAIWAN FROM WHOM THE NATIONAL GUARD HAS PURCHASED APPROXIMATELY 2,000 PAIRS DURING THE PAST FIVE YEARS.

5. SINCE THE NATIONAL GUARD HAS TRADITIONALLY IMPORTED U.S. MANUFACTURED SHOES, AN EXPANSION OF MARKET SHARE SEEMS UNLIKELY. HOWEVER, AN OPPORTUNITY MAY EXIST FOR AN INCREASE IN TOTAL SALES. A NATIONAL GUARD OFFICIAL INDICATED THAT JUNGLE BOOTS ARE VERY POPULAR AND ALMOST A STATUS SYMBOL AMONG THE SOLDIERS. THEREFORE, A US FIRM WHICH OFFERED FAVORABLE TERMS AND RELIABLE SERVICE MIGHT BE ABLE TO AUGMENT THE TOTAL NUMBER OF BOOTS SOLD IN NICARAGUA.

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6. INTERESTED FIRMS SHOULD CONTACT DIRECTLY THE FOLLOWING OFFICIALS WHO MAKE PURCHASING DECISIONS:

GENERAL GUSTAVO MEDINA
DIRECTOR GENERAL DE ABASTOS
GUARDIA NACIONAL DE NICARAGUA
MANAGUA, NICARAGUA

MAJOR ANASTASIO SOMOZA PORTOCARRERO
ESCUELA DE ENTRENAMIENTO BASICO DE INFANTERIA
GUARDIA NACIONAL DE NICARAGUA
MANAGUA, NICARAGUA

MAJOR GENERAL ROBERTO GUILLEN
ACADEMIA MILITARY DE NICARAGUA
MANAGUA, NICARAGUA
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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 02 may 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANAGU02009
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780196-0774, D780187-0955
Format: TEL
From: MANAGUA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197805102/aaaadjmg.tel
Line Count: 111
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 463ad593-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: ONLY
Reference: 78 STATE 78081
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2520032
Secure: OPEN
Status: NATIVE
Subject: TRADE OPPORTUNITIES FOR LEATHER SHOES AND BOOTS
TAGS: BEXP, NU
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/463ad593-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014